

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

August 31, 1999

**FROM: THOMAS R. LAURIN, DIRECTOR
 DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT**

**SUBJECT: AGREEMENT WITH CITY OF BARSTOW FOR BARSTOW BUSINESS LOAN
 PROGRAM**

RECOMMENDATION: Approve lender participation agreement in the amount of \$500,000 between the County of San Bernardino and the City of Barstow for the Barstow Business Loan Program.

BACKGROUND INFORMATION: The City of Barstow is a participating agency in the County's CDBG program and, as such, receives a CDBG allocation administered by ECD. The City approached the County seeking increased local control over its small business loan program with respect to the selection of loan applicants and promotion of the program. The proposed Barstow Business Loan Program, a joint project between the City and County, satisfies this need and is a new financing vehicle aimed at addressing the business borrowing needs ranging from \$5,000 to \$50,000 within the City of Barstow. This action will approve the lending agreement between the County and City of Barstow for this program. Under terms of the agreement, the City agrees to promote the program and to underwrite the individual loans while the County will fund the loans, up to a total of \$500,000, and administer loan documentation, billing and collection of payments utilizing CDBG funds. The City agrees to guarantee the individual loans with \$500,000 of its entitlement share of Community Development Block Grant (CDBG) funds. This project meets the Department of Housing and Urban Development regulations and is consistent with the economic development needs as identified in the County of San Bernardino Consolidated Plan.

REVIEW BY OTHERS: The agreement has been reviewed and approved by Deputy County Counsel Michelle D. Blakemore on August 11, 1999; Deputy County Counsel Michael Sachs on behalf of Risk Management on August 11, 1999; and the Department of Economic and Community Development's Contract Compliance Designee (David Larsen) on August 18, 1999.

FINANCIAL IMPACT: The project will be funded by the County's Community Development Block Grant (CDBG)/ Micro Business Loan program (SBW-ECD-ECD). This action has no effect on the County General Fund.

SUPERVISORIAL DISTRICT(S): 1st.

PRESENTER: Thomas R. Laurin, Director, 388-0808.

Record of Action of the Board of Supervisors